

NAVFACINST 11010.49H  
FAC 30  
10 July 1995

NAVFAC INSTRUCTION 11010.49H

From: Commander, Naval Facilities Engineering Command

Subj: REPROGRAMMING, COST VARIATION AND SCOPE CHANGE OF A NAVY MILITARY CONSTRUCTION PROJECT

Encl: (1) Reprogramming and Cost Variation Provisions  
(2) Scope Change Limitations on Projects Authorized by Congress  
(3) Escalation/Reprogramming/Scope Variation Request

1. Purpose. To establish procedures for adjusting military construction project scopes and amounts after authorization by Congress.

2. Cancellation. NAVFACINST 11010.49G of 23 Sep 1986 is canceled.

3. Application. This instruction is applicable to all Navy Military Construction (MCON) projects including Marine Corps projects, Military Construction Navy Reserve (MCNR) major construction, Family Housing (FH,N&MC) new construction and Exceptional Construction. Exceptional Construction includes Unspecified Minor Construction (UMC), Emergency Construction, Restoration of Damaged or Destroyed Facilities, and Contingency Construction. This instruction is not applicable to Family Housing Improvement projects or MCNR minor construction. Consult NAVFAC Code 50 for guidance concerning Family Housing Improvement projects, or Code 33 for guidance concerning MCNR minor construction projects.

4. Background. This instruction reflects revised requirements, provides guidance concerning the limits of project funding authority for Engineering Field Divisions (EFDs), and establishes procedures for seeking approval from higher authority when necessary. Reprogramming a project is a time consuming process involving much scrutiny from higher authority, including Congress. Reprogramming should only be considered and initiated when there is no other acceptable alternative.

5. Action. (a) EFDs shall exercise scope control and execute assigned military construction programs in accordance with guidelines issued by NAVFAC and within the limitations cited in enclosures (1) through (3).

(b) Submission of formal requests to exceed project funding limitations shall be in writing. A recommended format and issues/questions that must be addressed when appropriate are provided in enclosure (3).

(c) The recommended format of enclosure (3) is also appropriate for below threshold reprogrammings (also known as escalation) which are approved by NAVFAC Headquarters.

CAPT C W WOOMER  
Director, Facilities Programming and  
Construction Directorate

NAVFACINST 11010.49H  
10 July 1995

Distribution:

SNDL  
FKN1 NAVFACENGCOMDIV  
FKN13 ENGFLDACT's  
FKN3 OICC's  
NAVFAC Internal List 1

Copy to:

SNDL  
21A1 CINCLANTFLT (N44A)  
21A2 CINCPACFLT (N464)  
21A3 CINCUSNAVEUR (N72)  
23C3 COMNAVRESFOR (08)  
41A COMSC (N4X)  
A2A CNR (0123)  
A3 CNO (N44, N09BF, N959E)  
A6 CMC (LFL)  
FD1 COMNAVMETOCCOM (N14)  
FE1 COMNAVSECGRU (G43)  
FG1 COMNAVTELCOM (N4)  
FH1 BUMED (43)  
FKA1A COMNAVAIRSYSCOM (09Y)  
FKA1B COMSPAWARSYSCOM (214A)  
FKA1F COMNAVSUPSYSCOM (451)  
FKA1G COMNAVSEASYSYSCOM (07I)  
FKA8F DIRSSP (20162)  
FN1 COMNAVSPACECOM (N4/6)  
FS1 ONI (01)  
FT1 CNET (N4)  
--- BUPERS MWR Division (Pers-656D),  
Navy Dept., Washington, DC 20370-6500

Stocked:

Commanding Officer  
Naval Facilities Engineering Command  
200 Stovall Street  
Alexandria, VA 22332-2300

REPROGRAMMING AND COST VARIATION PROVISIONS

Section A. Definitions

1. Reprogramming/Cost Variation:

a. Reprogramming is a requirement of the House Appropriations Committee (HAC) and the Senate Appropriations Committee (SAC) to obtain their approval to exceed the appropriated amount for a project above a prescribed limit. The requirement is conveyed through committee report language and it is NAVFAC policy to treat this report language as if it were part of codified law.

b. Cost Variation/Cost Notification is a requirement in law, originating with the House National Security Committee (HNSC) and the Senate Armed Services Committee (SASC), to obtain HNSC, SASC, HAC and SAC approval to exceed the appropriated amount for a project above a separately prescribed limit.

c. In most cases both reprogramming and cost variation/notification procedures will apply and must be followed.

d. All requests to obtain Congressional approval of increases exceeding limitations will be submitted to NAVFAC. Information required is specified in Section D.

2. Authorized Amounts: The authorized amount for each project is the amount established by Congress in approving a National Defense Authorization Act. The "as-enacted index" published annually by NAVFAC, following the enactment of the annual Authorization and Appropriations Acts, is the authoritative documentation source for authorized amounts.

3. Appropriated Amounts: The appropriated amount for each project is the amount established by Congress in approving the annual Military Construction (MILCON) Appropriation Act. Normally the appropriated amount will equal the authorized amount; however, occasionally the appropriated amount may differ from the authorized amount. In other instances, funds may be appropriated against authorizations in prior years. The "as-enacted index" published annually by NAVFAC, following enactment of the annual Authorization and Appropriations Acts, is the authoritative documentation source for project appropriated amounts.

4. Appropriation Limit: The maximum amount of funds that can be obligated for a project without notifying Congress, and receiving Congressional approval if required.

5. Cost Estimates: There are two types or levels of cost estimates:

a. Current Working Estimate (CWE) is the best estimate of the total cost (planned and actual) for a project. The CWE normally changes during the life of a project, from planning through construction to completion. It changes because it is an estimate, which is affected by progress. All future

procurement actions at their estimated award amount, as well as procurement already obligated by award, and all direct in-house charges (planned and actual) are to be included in the CWE along with supervision, inspection and overhead (SIOH) charges. The CWE, which excludes contingencies, is the figure displayed and continuously maintained up to date in the NAVFAC automated data base, the Facilities Information System (FIS).

b. Funding Requirement (FR) includes the current working estimate, as defined above, plus a reasonable contingency, normally 5% of all uncompleted work (i.e. unaccrued CWE), for unknown requirements which may arise. This is the definition of total cost used in providing a "CWE" to Congress and in determining program/project funds availability during program/project execution.

## Section B. Reprogramming Provisions Based Upon Appropriations

### 1. Background:

a. Reprogramming: Congressional Appropriations Committees (HAC & SAC) require the Services to obtain their approval prior to exceeding the project's appropriated amount by more than the lesser of 25 percent or \$2 million based on total funding requirements. Approval is obtained by a formal Reprogramming request which requires processing through OPNAV, NAVCOMPT and OSD(COMPT) to the HAC and SAC, with a courtesy copy to the HNSC and SASC. This Reprogramming procedure is in addition to the Cost Variation procedure that is required by law if the cost increase exceeds the lesser of 25 percent or \$3 million, and may be in addition to a Scope Variation procedure. Section C provides information on Cost Variation procedures.

b. Escalation (below threshold reprogrammings): When projects are increased above the appropriated amount but less than the reprogramming threshold, the action is referred to as a below threshold reprogramming or "escalation". The authority to approve below threshold escalations is given to SECNAV per 10 U.S.C. Sec 2853 (Sec 2233a for MCNR major construction). Historically, authority to act for the Secretary has been delegated to NAVFAC Code 30. This is a significant delegation of authority considering that the next level of approval authority after NAVFAC Code 30 is Congress.

2. Congressional Notification: Reprogramming approval requires a written response by the Appropriation Committees, not just expiration of a waiting period. Congressional courtesy notifications as directed in HNSC & SASC report language are also required for any Reprogramming request for which a Cost Variation or Cost Notification is not required (i.e. below Cost Variation or Cost Notification threshold).

### 3. Amplification of Requirement:

a. In the case of a project for which Congress has previously approved formal Reprogramming, the revised total including the reprogrammed funds becomes the appropriation limit and another Reprogramming is required to exceed that limit. Thus, if a project originally appropriated in the amount of, say, \$4 million undergoes formal Reprogramming action and is

approved by the Appropriations Committees at a revised amount of, say, \$6 million, an additional Reprogramming action would be required if subsequent circumstances dictate any increased funding requirement in excess of \$6 million. For those projects cited as fund sources and, therefore, decreased as part of a Reprogramming request, the reduced amount becomes the new appropriation limit and cannot be exceeded without another Reprogramming. Such projects must be treated very carefully. The NAVFAC automated data base (FIS) has the approved appropriation limit (as maintained by NAVFAC Code 91).

b. Specific guidance will be provided by NAVFAC annually for projects which have been reduced by action of the Appropriations Committees or which have otherwise been designated of special interest to the Congress. These limitations are in addition to any Cost Variation provisions discussed in Section C.

c. In any of the following instances, Reprogramming may not be required. However, a description of the cost problem should be forwarded to NAVFAC Code 30 for a specific determination:

(1) when completing a project in its entirety with expired funds. Project cost increases, in this case, are only allowable for valid upward price adjustments which exclude any work not in the scope of the original contract;

(2) when a cost increase above threshold is due solely to the final resolution of a contractor claim;

(3) when a cost increase above threshold is due solely to the excess cost attributable to a reprocurement contract. The basis for not Reprogramming is based upon ultimate anticipated recovery from surety;

(4) for Family Housing new construction only, when a cost increase above threshold is due solely to costs associated with environmental hazard remediation such as asbestos removal, radon abatement, lead-based paint removal or abatement, and any other legislated environmental hazard remediation.

d. The Reprogramming process is not available to initiate new projects or to fund a project that was denied appropriation in the Congressional budget cycle. The only exceptions permitted are for projects qualifying under authority for Exceptional Construction described in Section E of this instruction, urgent land acquisition per 10 USC Section 2672a, or for new Reserve component projects, the requirement for which was not known in time to be included in the annual budget submission.

#### Section C. Cost Variation Provisions Based Upon Appropriations

1. Background on Authorization Limitations: Congressional Authorization (HNSC & SASC) and Appropriations (HAC & SAC) Committees require the Services per 10 U.S.C. Sec 2853 (Sec 2233a for MCNR major construction) to notify them when increasing a MILCON project's funding above the appropriated amount by more than the lesser of 25 percent or \$3 million based

on the total funding requirement. The Congressional criteria for evaluating a need to increase a project funding amount above this limitation are that it (1) must be required for the sole purpose of meeting unusual variation in cost, and (2) could not have been reasonably anticipated at the time the project was originally approved by Congress. Cost Variations for the purpose of accommodating scope increases will not be approved.

2. Project Cost Variation: Project cost increases exceeding the lesser of 25 percent above the appropriated amount or \$3,000,000 (for other than within scope change orders to a contract or final settlement of a contractor claim ) require NAVFAC approval, Congressional notification, and expiration of a 21-day waiting period. All project cost increases exceeding the lesser of 25 percent or \$3,000,000 for MCNR major construction require Cost Variation notification.

3. Project Cost Notification: After a contract for a project has been entered into, project cost increases exceeding the lesser of 25 percent above the appropriated amount or \$3,000,000 for within scope change orders to a contract, for the final settlement of a contractor claim, for reprocurement, or for a project being completed in its entirety with expired funds require NAVFAC approval and Congressional notification (no waiting period required). Cost Notification procedures do not apply to MCNR major construction.

4. Subsequent Cost Increases: Once a project has been given Congressional approval to exceed the cost increase limits in 10 U.S.C., additional Cost Variation/Notification requests may or may not be required for further increases. All such cases must be directed to NAVFAC Code 30 who will make the final determination.

#### Section D. Submission of Reprogramming Requests, Cost Variation Reports and Cost Notifications

1. The Reprogramming/Cost Variation process typically takes a total of over 100 days from initiation of the request by the EFD to receipt of Congressional approval/expiration of the waiting period. An additional factor to consider is that Reprogramming/Cost Variation requests must be received at NAVCOMPT by the first of each month in order to be included in the OSD submission to Congress for that month.

2. Requests shall be forwarded to NAVFAC Code 30 relying upon the format and content recommended in enclosure (3) and shall include the following:

a. Specific project nomenclature including: activity, location, project name, P-No., fiscal year of authorization and cost, and appropriated amount.

b. Funding requirement for the project which is the basis for the need to request Reprogramming/Cost Variation/Cost Notification. The funding requirement must be based on firm, fixed prices usually obtained by bids or proposals. Estimated costs are not normally considered because of the uncertainty involved and the risk that bids higher than the estimate would

require another Reprogramming action. Great care must be taken to ensure that the new funding requirement is the best statement of required costs in order to preclude an additional increase in the future.

c. Detailed description of the condition which has precipitated a need for the Reprogramming/Cost Variation. The description must include a specific discussion of the unusual variation in cost and why it could not have been reasonably anticipated at the time the project was approved by Congress. The enacted DD Form 1391 is the baseline to be used to determine the cost increase that needs to be explained and justified to Congress. Information sufficient to fully understand the problem is required as specified in enclosure (3).

d. If an increase or decrease in scope is involved submit the information required by enclosure (2). Additionally, if the project was justified on the basis of economic payback, the impact of the scope change on the economic analysis must be addressed.

e. Description of the alternatives available if the Reprogramming and/or Cost Variation is not approved.

3. NAVFAC Code 30 will identify a fund source(s) for the cost increase to be cited in the Reprogramming/Cost Variation. This will be another project with savings that can have its appropriation limit permanently reduced to offset the requested cost increase. Savings can come from cancelled, completed, or substantially completed projects. All projects that are identified as a candidate for a source of savings will have the savings confirmed by the respective EFD/EFA before the savings are utilized. Cost Notifications do not require that a fund source be identified.

#### Section E. Submission of Exceptional Construction Projects

1. Unspecified Minor Construction (UMC): UMC projects are funded from the "lump sum" appropriation/subhead provided by Congress for Navy projects which meet the requirements of 10 U.S.C. Sec 2805. UMC projects must have a total funding requirement between \$300,000 and \$1,500,000. The authorization and appropriations committees of Congress (HAC, SAC, HNSC & SASC) must be notified, and a 21-day waiting period must be completed or the committees must approve the project before the project may be awarded. If the cost of the UMC project subsequently exceeds 125% of the amount approved by the Congressional committees, then the notification process and waiting period must be repeated.

2. Emergency Construction and Restoration of Damaged or Destroyed Facilities Projects: Emergency Construction projects meeting the requirements of 10 U.S.C. Sec 2803 and Restoration of Damaged or Destroyed Facilities projects meeting the requirements of 10 U.S.C. Sec 2854 must first be approved by the Congressional Appropriations Committees (HAC & SAC) through a Reprogramming action (with a courtesy copy to the HNSC & SASC). Once approved, the project cost may be increased in the same manner as a MCON project, treating the initial approved amount as the "appropriated" amount with a corresponding appropriation limit.

3. Contingency Construction Projects: Contingency projects which meet the requirements of 10 U.S.C. Sec 2804 are authorized by the Secretary of Defense and funded from the "lump sum" appropriation provided by Congress. The authorization and appropriations committees (HAC, SAC, HNSC & SASC) must be notified, and a 21-day waiting period must be completed or the committees must approve the project before the project may be awarded.

4. Point of Contact: The point of contact for projects covered under this section is NAVFAC Headquarters Code 323.

#### Section F. Submission of Escalation (Below Threshold Reprogramming) Requests

1. Escalation requests shall be submitted in written format using the same criteria as delineated above and in enclosure (3). While escalations are approved by NAVFAC, they must have approximately the same level of staffing as a Reprogramming because if there are later cost increases requiring a Reprogramming, then the data involved in the escalation request must be included (such a Reprogramming would have to address all of the cost increase above the appropriated amount, not just the increase above the previous escalation). In addition, escalation requests are subject to audit and Congressional review. Poorly justified/documented escalation actions may generate added oversight by Congress or senior Navy/DOD organizations.

2. Escalation approval authority is delegated to NAVFAC Codes 32 and 33 for programs under their cognizance.



SCOPE CHANGE LIMITATIONS ON PROJECTS AUTHORIZED BY CONGRESS

Section A. Definition of Scope

1. The scope of an individual project is defined by the following, in order of precedence:

- a. public law;
- b. comments contained in committee reports;
- c. Military Construction Project Data, DD Form 1391, certified "as enacted" by CNO OP-445/NAVFAC Code 30 (Assistant for MCON Documentation);
- d. Military Construction Project Data, DD Form 1391, presented to Congress as justification for each project;
- e. testimony before the Congressional committees;
- f. witness data, if applicable, prepared for use during Congressional hearings; or
- g. documents contained in NAVFACENGCOM files which describe the content, intent and cost estimate for the project at the time of submission to Congress.

2. For the purposes of "Scope Variation" the term "scope" designates the major quantitative unit of measure of the primary facility of a project, such as a 10,000 SF administrative building. While major emphasis must be placed on monitoring the scope of the primary facility, it is also necessary to maintain control of the supporting facilities since they often contribute significantly to the total cost of a project.

3. The "scope" for Family Housing projects differs in that it is defined as a certain number and type of dwelling units. The "scope" of supporting Family Housing facilities (e.g. where the primary facility being constructed is a community center, office, etc.) follow the same rules as for MCON projects as described above.

4. NAVFAC will provide specific guidance to the EFD regarding any project that has had its scope modified through Authorization and/or Appropriation Committees action.

Section B. General Principle

1. The general principle to be applied in evaluating requests for scope changes is that NAVFAC builds what was contemplated by the Navy at the time the project was presented to Congress, no more and no less. There frequently will be marginal cases which technically could be considered to be within project scope, but which in fact represent work which may not have been contemplated at the time of presentation of the project to Congress. These

must be reviewed on a case by case basis with NAVFAC Code 30 making scope determinations in consultation with the EFD's.

2. Although project scope changes may be necessary and desirable on occasion, these changes can only be accommodated when consistent with the original intent of Navy, Office of the Secretary of Defense (OSD) and Congress.

### Section C. Scope Changes

#### 1. Scope Decrease:

a. A reduction in the Congressionally approved scope of a project may be necessitated by funding limitations or may be desired due to a change in requirements or mission. However, before any scope reduction can be approved, two basic requirements must be met. First, the reduced scope must still provide a functionally complete and usable facility. If a proposed scope reduction will require follow-on authorization to provide a complete and usable facility, it will normally not be approved. Secondly, it is mandatory that the reduced scope still meets the original intent of the project as approved by Congress. A facility that will not perform the basic function that Congress approved shall not be constructed.

b. A report of the facts relating to the scope reduction must be submitted to the Congress prior to award if:

(1) the proposed change will reduce the approved scope of the project by more than 25 percent, or

(2) Congress has otherwise mandated the scope.

c. Proposed scope changes which meet the above criteria must be submitted to the Congress per the requirements of 10 U.S.C. Sec 2853 (Sec 2233a for MCNR major construction) regardless of the reason for the scope reduction. Before construction at this reduced scope may proceed, twenty-one days must elapse following submission of the report to the Congress.

d. Scope reductions on projects for which the primary facility scope is defined as "lump sum" or for which the primary facility scope is otherwise difficult to quantify shall be submitted to NAVFAC Code 30 for review and approval.

e. To ensure a construction contract award within the dollar availability, the EFD may adjust the scope of a contract to provide for a base bid item and one or more additive bid items. The base bid item must provide a complete and usable facility within the original intent of the project, should have user concurrence, and the scope must not be reduced in excess of 25 percent. The EFD is authorized to proceed with scope reductions which are consistent with this policy.

f. It should be noted that situations do occur where Congressional approval must be obtained simultaneously for a scope reduction and a related cost increase.

g. If the authorized project scope includes demolition and the activity desires to eliminate this item of scope, retention of the facilities must be approved in accordance with NAVFACINST 11100.9 series.

## 2. Scope Increase:

a. The Navy has no authority under law to increase the scope of a project after enactment. However, modification or "redefinition" of scope may be considered under the following circumstances provided it is considered within the intent of the enacted scope:

(1) where planning, design, or construction deficiencies uncovered after the project was approved by Congress require corrective action in order to provide a complete and usable facility;

(2) where changes are necessary to conform to revised external requirements, e.g. laws, environmental permit requirements, building codes, or criteria revisions related to safety and adequacy; or

(3) where changes in methods or technology disclose a superior means of accomplishment that logic or economics indicates should be adopted.

b. Redefinition of primary facility scope must be approved by NAVFAC Code 30. Changes to supporting utilities and roads may be made by the EFD within budgetary limits, providing there is no change in the basic concept of the supporting utilities and roads and no change in scope or concept of the primary facility. Any other changes to supporting facilities must be submitted to NAVFAC for approval. The items of scope are as shown on the DD Form 1391.

## Section D. Submission Review and Approval of Scope Redefinition/Decrease Requests

1. A request must be submitted to NAVFAC Code 30 whenever a scope decrease in excess of 25% or any scope redefinition is recognized except as previously noted with regard to supporting facilities. NAVFAC will evaluate the request and will take the necessary action to obtain approval from higher authority if required. The request shall provide: a copy of the DD Form 1391; identification of the particular line entry which is to be modified; a complete narrative description of the work to be performed; the magnitude of the scope redefinition in terms of quantitative units of measure and estimated cost; and answers to the following questions, where appropriate:

a. Does the scope redefinition represent work which was not contemplated at the time of presentation of the project to Congress? If so, why? Has the mission changed?

b. Is the scope redefinition supported by the Shore Facilities Planning System? If it is not, a revised Basic Facility Requirement (BFR), Facility Planning Documents and other supporting data should be submitted in accordance with NAVFACINST 11010.44 series.

c. Is the space allowance for this particular type of facility exceeded, referring to NAVFAC P-80 (Facility Planning Criteria) or MIL-HDBK-1190 (Facility Planning and Design Guide), 10 U.S.C. Sec 2826 (Family Housing space limitations), or NAVFACNOTE 11010.81 (Family Housing Surveys or applicable planning criteria)? Bearing in mind that the space allowances prescribed through these references are maximums, strong justification for exceeding them must be provided, supported by a detailed engineering/economic analysis of the activities to be accommodated in the facility. When DOD space criteria are not available, accepted design and experience factors used to determine space allocations for the various functions shall be documented and explained.

d. Was a scope reduction from originally proposed scope dictated by some higher authority during the budgetary review process? Present the rationale behind this directed reduction, including whether it was an arbitrary reduction, due to budgetary constraints, or whether it was for cause. (NAVFAC Code 30 can provide assistance in researching this information.)

e. Was the scope specifically brought up for discussion during one of the Congressional committee hearings or is there some comment concerning the scope contained in a committee report? Identify the committee. (Again, NAVFAC Code 30 can provide assistance in researching this information.) Scope reductions made during Congressional or other review would normally not be reversed.

f. Is the scope redefinition of such magnitude that the appropriated amount for the project will be exceeded? Cost variations or reprogrammings for the purpose of accommodating scope redefinition will normally not be approved.

g. Discuss the specific aspects of the project including items noted in enclosure (3), including:

(1) What is the status of construction of the facility? Is it usably complete? If so, when was it usably complete?

(2) Is the scope redefinition desired to permit more efficient performance of an operation or to provide a usably complete facility?

(3) Was this scope change necessitated by same design deficiency, new planning or design criteria, or unforeseen conditions? If so, explain.

(4) What would be the impact if the scope change was not approved?

(5) Is the nature of the scope redefinition such that it can be included in another increment programmed in the future? What is the cost penalty associated with deferral of a severable scope modification?

(6) What were the alternate methods considered in an effort to solve the problem?

ESCALATION/REPROGRAMMING/SCOPE CHANGE REQUEST

From: (EFD)

To: NAVFAC Code 32/33

Subj: REQUEST FOR (choose from Escal/Reprog/Cost Var/Cost Notif/Scope Var)  
FOR FY\_\_ MCON PROJECT P-\_\_ (title)\_\_\_\_\_, (location)\_\_\_\_\_, (catcode)\_\_\_\_\_

Ref: (a) NAVFACINST 11010.49H (for other than escalation)

(b) (if applicable)

Encl: (1) Enacted DD Form 1391 (marked up to show cost/scope changes)

1. An (escal/reprog/cost var/cost notif/scope var) request is submitted for the subject project in the amount of \$\_\_\_\_\_ (or \_\_\_\_\_ SF for a scope var). The Reason Code is \_\_\_\_\_ (CMS Change Order Codes). (Also reference any previous escalation or reprogramming correspondence on the project.)

2. The funding status of the subject project is:

	AUTH	APPR	APPR	FUNDING	ESCAL	
	AMOUNT	AMOUNT	LIMIT	REQMT	AMOUNT	% ESCAL
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	
Prior:				_____	_____	_____
Current:	_____	_____	_____	_____	_____	_____

3. Justification: (see attachment for additional items to consider)

a. Cost Increase: Explain why the project cost is higher than programmed and previously estimated. The current project cost versus the 1391 price should be addressed. Explain why it is a good business decision to fund the increase.

b. Required Work: Explain the scope of the work if a modification or a supplemental contract, or the scope of additive bid items if involved. Enclose a brief cost breakdown or bid data sheet as applicable.

c. Alternatives: Explain alternatives evaluated to reduce the cost of the project including deletion of portion of the work, redesign, ACER, value engineering, etc. and the reason for the alternative chosen.

d. Additional Information: Include any known potential for further cost growth, urgency of the request, reference any customer correspondence or noteworthy interest, etc.

e. Scope Change: Explain reasons for revising/modifying the scope from the scope approved per the project's enacted 1391, and explain alternatives evaluated in an effort to avoid cutting the scope in the case of a proposed scope decrease of more than 25%.

4. Bid/proposal received date and expiration date (if applicable): \_\_\_\_\_

5. % construction complete (if applicable): \_\_\_\_\_

EFD/EFA Signature 09A, 09A2 or designated representative

Enclosure (3)

BASIC QUESTION: What factors are different now than when the project's DD 1391 was enacted?

POSSIBLE FACTORS:

1. ADDITIVE BID ITEMS/CUSTOMER REQUESTED CHANGES:

- a. Is the work included in the as enacted 1391 scope? Were there any marks or references to the scope during the Congressional review process?
- b. Must the work be done now or could it be deferred until later when the actual project costs are better known?
- c. Is the work essential to the customer's mission?
- d. Is the work essential for a complete and usable facility?
- e. Can other work be eliminated to pay for this item?

2. CRITERIA CHANGES (For multiple causes of cost increase show dollar value for each cause):

- a. Changes to local, state or federal codes/permit requirements (especially environmental) or permit costs?
- b. Resiting to a site not envisioned in the enacted 1391?
- c. Changes to the design not envisioned in the enacted 1391:
  - (1) to accommodate new technology?
  - (2) for adjustments to mission?
  - (3) to incorporate safety items?
  - (4) to accommodate environmental discoveries or enhancements?

3. OTHER PROBLEMS DURING CONSTRUCTION (quantify costs):

- a. Claim settlement?
- b. Correction of unforeseen site conditions?
- c. Design deficiency? Are we pursuing A/E liability - if so, status?
- d. Construction deficiency? Pursuing contractor liability/status?
- e. Unforeseen difficulty in planned construction methods?
- f. Environmental?

4. BIDDING CLIMATE:

- a. What are the specific factors causing high bids: availability of bidders; subcontractors; labor; capital; materials; economic strength of the local economy; specialty items; number of projects available in the local area; etc.?
- b. What alternatives have been explored to obtain better bids/proposals?
  - (1) Reviewed the bid results for rebidding?
  - (2) Examined method of procurement and risk involved in the project to determine whether another method of procurement (e.g. conversion to RFP) would be advantageous?